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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 6, 2016

Scott Bakken
Energy Fuels Resources (USA)
225 Union Boulevard, Suite 600
Lakewood, Colorado 80228

Subject: Approval of Escalated Reclamation Surety Estimate and Directive to Increase Surety, Energy Fuels Resources (USA), Redd Block IV mine, M/037/0046, San Juan County, Utah

Dear Mr. Bakken:

The Division of Oil, Gas and Mining approves the reclamation cost estimate for the Redd Block IV mine in San Juan County, Utah, received December 8, 2015. There have been no changes to the operations, so it was only necessary to escalate the reclamation costs to current values. Once the reclamation surety amount has been adjusted to **\$83,000.00**, the surety amount will not need to be reviewed until mining operations and facilities are modified or until the year 2020.

The current surety held by the Division is \$51,295.00. Please provide additional surety in the amount of **\$31,705.00** to the Division by February 19, 2016, to bring the surety to the approved amount of \$83,000.00. Upon receipt, the Division will make note on the Reclamation Contract of the change in the surety amount and the escalation year. The Division will also require that Energy Fuels sign a Modification to Attachment A of the Reclamation Contract to reflect the change in the surety amount. This form will be furnished after the increase in the reclamation surety is approved. No other changes will be required at this time.

Thank you for keeping the reclamation surety current. If you have any questions concerning this letter, please contact Mike Bradley at (801) 538-5332.

Sincerely,

Paul B. Baker
Mining Program Coordinator

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